



FINANCE DEPARTMENT
OFFICE OF THE DIRECTOR
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March 31, 2004

Honorable Mayor Alex Penelas, Mayor

Honorable Dr. Barbara Carey-Shuler, Chairperson and
Members of the Board of County Commissioners

Honorable Harvey Ruvin, Clerk

Mr. George M. Burgess, County Manager

Citizens of Miami-Dade County

Ladies and Gentlemen:

We are pleased to present the Miami-Dade County, Florida (the "County") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2003, pursuant to Florida state law. The financial statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants retained by the County and paid from its public funds. This report may also be accessed via the internet at <http://www.miamidade.gov/finance/>.

Responsibility for the accuracy and fairness of the presentation, including disclosures, rests with management of the County. We believe the data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County, and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included. Miami-Dade County has established comprehensive internal controls designed to ensure that the County's assets are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP"). Because the cost of internal control should not exceed the benefits likely to be derived, the County's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The accompanying report consists of three parts:

- The ***Introductory Section***, including this letter of transmittal, provides general information on the County's structure and personnel, as well as other information useful in assessing the County's financial condition.
- The ***Financial Section*** contains the basic financial statements and required supplementary information (including Management's Discussion and Analysis or MD&A), the report of independent certified public accountants, and other supplemental information useful to financial statement users. The MD&A is a narrative required to accompany the basic financial statements. It provides an objective and easy to read analysis of the County's financial activities based on currently known facts, decisions or conditions. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Please reference the chart in the MD&A for a graphical presentation of the new CAFR format.
- The ***Statistical Section*** provides a number of tables of unaudited data depicting the financial history of the County over the past ten years, demographics, and other miscellaneous information.

Independent Audit

Ernst and Young LLP, a firm of licensed certified public accountants, has audited Miami-Dade County's financial statements. Separate auditors audited the County's major enterprise funds and the Housing Agency. Their audits were performed in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Rules of the Auditor General, State of Florida. The goal of the independent audits was to obtain reasonable assurance as to whether the financial statements were free from material misstatement. The audits included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The scope of the audits was sufficient to satisfy State, Federal and County Charter requirements. Ernst and Young's LLP opinion resulting from the audit is included in this CAFR.

Profile of the Government

Miami-Dade County is located along the southeast tip of the Florida peninsula, bounded by Biscayne Bay and the Atlantic Ocean to the east, Everglades National Park to the west, the Florida Keys to the south, and Broward County to the north. It occupies an area of more than 2,000 square miles, one-third of which is located in the Everglades National Park. The total population served by the County is more than 2.3 million, including approximately one million in its 34 municipalities and the rest in the unincorporated area. Due to its proximity and high volume of travel and trade within the region, Miami-Dade County is often referred to as the "Gateway to Latin America and the Caribbean."

Government structure and services provided

The State Legislature in 1955 approved and submitted to a general election a constitutional amendment designed to give a new form of government to the County. The amendment was approved in a statewide general election in November 1956. A Dade County Charter Board was constituted and, in April 1957, it completed a draft of a charter for the County. The proposed charter was adopted in a County-wide election in May 1957 and became effective on July 20, 1957 (the "Charter"). The electors of the County are granted power to revise and amend the Charter from time to time by County-wide vote. The County has home-rule powers, subject only to the limitations of the Constitution and general laws of the State. The County has, in effect, a county government with certain powers effective throughout the entire County, including 34 municipalities located within the County, and a municipal government for the unincorporated area of the County. The County has not displaced or replaced the cities, but supplements them.

The County has a commission-strong mayor form of government. The Board, which consists of thirteen members elected from single member districts, is the legislative and governing body of the County and is responsible for the formation of all policies. The strong mayor, who is not a member of the Board, has veto authority over legislative acts, and has the power to appoint the County Manager. The County Manager is the head of the administrative branch of the county government and is responsible for carrying out the policies adopted by the Board. Both the Mayor and the Commission have the power to remove the County Manager, requiring a two-third vote of the Board.

Miami-Dade County provides a full range of services, including, but not limited to, police and fire protection; health services; mass transportation; sanitation; water and sewer services; the construction and maintenance of highways, streets and other infrastructure; libraries; correctional facilities; parks, recreational and cultural facilities and events; the operation of an airport system, including an international airport, four general aviation airports and a training airport; and a full service seaport.

The financial reporting entity under which the financial statements are prepared includes all the organizations, activities and functions for which the County as the primary government is financially accountable.

Budgetary Process and Control

State of Florida statutes require that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices. In compliance with this, the budgets adopted by the County are either appropriated or non-appropriated in nature. Funds that have legally appropriated budgets cannot legally exceed their appropriations. The budgetary controls over funds that have non-appropriated budgets are set by enabling ordinances, such as Bond Ordinances, in which the expenditure authority extends many years into the future.

Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget require BCC approval. Estimated beginning fund balances available for financing current appropriations are considered in the budgetary process. Budget and actual comparisons for the General Fund and the Community and Social Development Fund are located

in the Required Supplementary Information section of the CAFR. Budget and actual comparisons for all other governmental funds are presented as supplementary information in the financial section of the report. There is no similar comparison presented for Capital Projects Funds since they are budgeted in the year they are anticipated to be obligated and, in subsequent years, the unused budget is reappropriated until the project is completed.

As an additional control, the County employs an encumbrance system that reduces available appropriations in governmental funds upon issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances at year-end do not constitute expenditures or liabilities, but are accounted for as a reservation of fund balance.

Cash Management

To maximize the financial return on all available funds, the Finance Department pursues an aggressive cash management and investment program within the constraints imposed by Florida Statutes and local policies adopted by resolution of the Board of County Commissioners. The County has implemented an Investment Advisory Committee composed of professionals from the public and private sector. Every quarter, the portfolio performance is presented and reviewed by the Committee.

The County continues to use a cash management consultant to provide expert and professional analysis of the County's cash management performance and to make recommendations on investment strategies to maximize future investment earnings to the County in a non-exclusive basis, while maintaining or increasing the safety of the County's investment portfolio.

Commencing with fiscal year 1995, the County adopted a formal investment policy that applies to all investment of public funds. Cash balances are invested on a daily basis at the best interest rates available in the markets. Investments consist primarily of time deposits in banks approved by the State Treasurer to act as a qualified public depository, United States government treasuries, United States government agencies, commercial paper, bankers' acceptances and repurchase agreements.

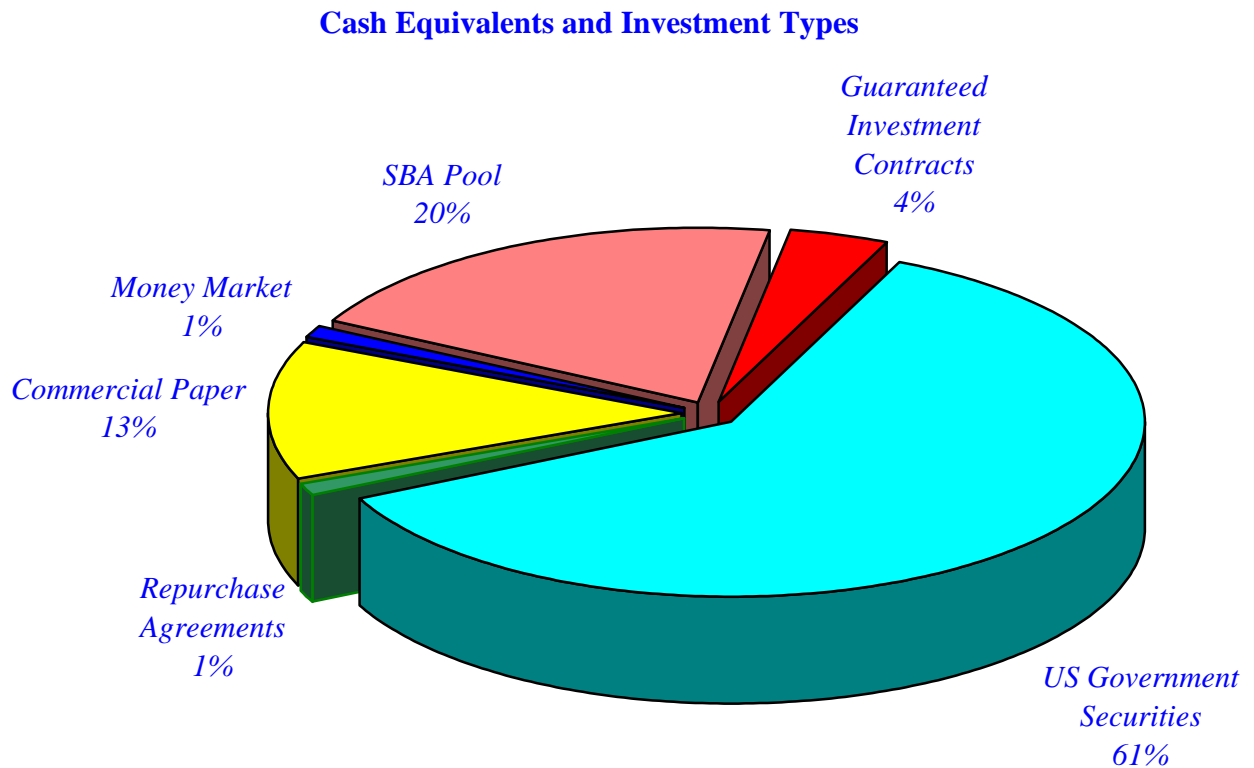
For purposes of maximizing the interest-earning yield on short-term investments, cash balances of all funds are pooled, except where separate cash and investment accounts are maintained in accordance with legal requirements. It is the County's policy not to invest in leveraged derivatives. The primary objective of the County's policy is preservation of capital.

During fiscal year 2003, the average investment yield realized by the County was 1.82%. While the investment earnings have not met forecasted returns, due to the significant drop in the Federal Funds Rate, investment earnings continue to contribute to the attainment of revenues to meet the many service demand levels identified by the administration and management.

A summary and comparison of treasury activity for the last three fiscal years, not including cash with the fiscal agents and the Public Health Trust, are as follows (in thousands):

	2003	2002	2001
Average Portfolio Balance	\$ 3,269,175	\$ 2,809,944	\$ 2,787,030
Average Investment Yield	1.82%	2.82%	5.49%
Interest Earned on Investments			
Managed by the Finance Department	\$ 59,344	\$ 79,160	\$ 152,902

The following chart summarizes the County's investments, including cash equivalents, at September 30, 2003.



The County participates in the United States Treasury Department Minority Bank Deposit Program. This program, which has been in effect for the past seventeen years, requires the County to deposit Federal initiated grants and entitlements and certain State originated monies with local minority owned banks for a period of three working days. The banks in turn, have free use of the funds to make investments or take advantage of the Fed Funds Market and keep all interest earned thereon. However, in all instances, the County's monies are fully collateralized as required by Florida Statutes.

Long-Term Debt Management

The County continues to obtain, in an efficient and innovative manner, long-term financing for the construction or acquisition of various long-term assets. It is management's objective to adequately plan and meet the County's comprehensive construction demands for essential capital improvements and equipment, and, at the same time, ensure that the residents of the community are not overburdened with general obligation long-term debt payable from ad valorem taxes.

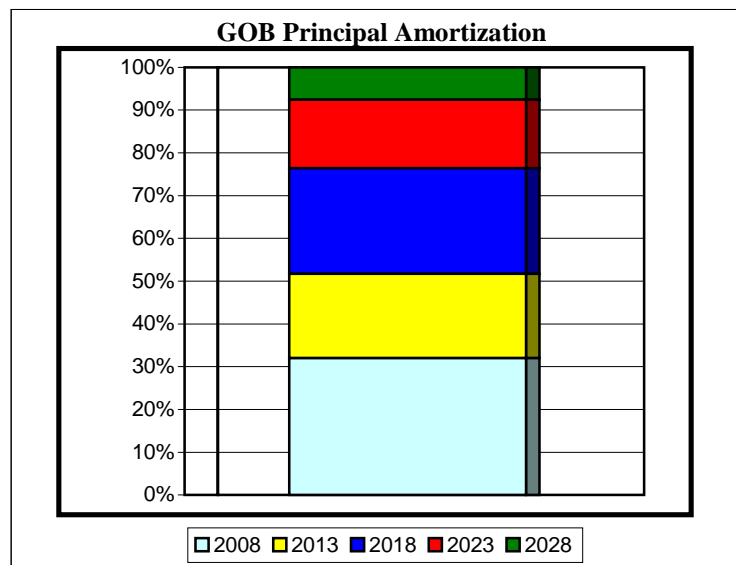
The County's debt service millage for 2003 for all Countywide bonded indebtedness was .390 mills representing a 29.3% decrease from the 2002 rate. Of the total Countywide millage, .205 mills or 52.6% is dedicated to the Decade of Progress Program, .113 mills or 29% is earmarked for the Criminal Justice Facilities Bond Program, and .072 mills or 18.4% is attributed to the Parks Bond Program. The total millage for all Miami-Dade Fire and Rescue Service District bonded debt service for 2003 is 0.079 mills, representing a 14.5% increase from the 2002 rate.

The following chart indicates the principal amortization of the County's general obligation debt in five-year increments.

**General Obligation Debt
Principal Amortization
In Five Year Increments Following Fiscal Year 2003
(in thousands)**

Fiscal Year	Principal Amortization
2008	\$ 71,710
2013	56,740
2018	65,361
2023	41,405
2028	12,325
Total	<u><u>\$ 247,541</u></u>

As can be seen in the chart below, approximately 52% of the County's outstanding debt will be retired within the next ten years.





Enterprise Operations

The County operates the following enterprise funds: the Transit Agency, Solid Waste Department, the Seaport Department, the Aviation Department, the Water and Sewer Department, the Public Health Trust, the Rickenbacker Causeway, the Vizcaya Art Museum and certain operations of the Housing Agency. Following is a brief introduction the County's major enterprise departments.

Transit Agency

The Miami-Dade Transit Agency ("MDTA") operates a unified public transit system consisting of buses, a 22.2-mile above ground heavy rail system and a 4.2 mile automated guide-way system. MDTA is one of the largest transit systems in the nation and carries approximately 45% of all transit trips in the State of Florida.

On November 5, 2002, voters in Miami-Dade County approved a County ordinance proposed by the Board of County Commissioners to levy and impose a one half of one percent Charter County Transit System Surtax for the purpose of funding transit and roadway improvements in Miami-Dade County. The Peoples Transportation Plan (PTP) listed specific transit and roadway improvements to be supported by the proposed half-cent surtax. The Charter County Transit System Surtax may be used for both transit and roadway improvements as well as to meet capital and operating needs.

Eligible application of the proceeds of the Surtax includes bus service improvements, fixed guideway, rapid transit improvements, major highway and road improvements as well as neighborhood improvements. Changes to County projects detailed in the PTP must go through the Citizens' Independent Transportation Trust and ultimately be approved by the County Commission. Additionally, 20 percent of the sales tax proceeds shall be distributed annually to cities in Miami-Dade County based upon a pro rata share determined by population for transit improvements. Cities that receive their pro rata share of the sales tax proceeds agree to provide in subsequent fiscal years the same level of general fund support for transportation that is in their fiscal year 2001-2002 budgets. It is estimated that sales tax revenues will total \$154 million in 2004.

Solid Waste

The Solid Waste Department ("SWD") provides solid waste collection and recycling services to residential customers in the unincorporated area of Miami-Dade County and countywide disposal of solid waste collected by County and private waste collection companies. The SWD is one of the largest municipal solid waste curbside collection systems in the United States and the largest publicly owned waste disposal system in the southeastern portion of the country. The Collection system served approximately 288,000 residential households.



Seaport Department

The Seaport Department operates the Dante B. Fascell Port of Miami-Dade (“Port”). The Port is the largest cruise port in the world, among the top five container cargo ports serving the Caribbean and Latin American Regions and ranks nationally in the top ten ports. The Port continues to realize growth and its financial initiatives.

Aviation Department

The Miami-Dade County Aviation Department (“MDAD”) operates the Miami International Airport (“MIA”), as well as four general aviation airports and one training and transition airport. The general aviation airports provide a significant role as they serve to alleviate traffic at MIA. MIA is currently ranked number one in the U.S. for international freight and third for international passengers.



Water and Sewer Department

The Miami-Dade County Water and Sewer Department (“WASD”) operates the County’s water and wastewater systems. The WASD serves approximately 375,000 retail customers and provides large-scale wholesale water and wastewater service to municipalities.

Public Health Trust

The Public Health Trust was created in October 1973 to effect a formalized operational arrangement and structure of governance between the County and PHT in an autonomous fashion with respect to operations of several designated health facilities. Some of these include the 1,498 bed general acute care hospital (Jackson Memorial Hospital), a 60 bed maternity hospital, a 199 bed hospital in South Miami Dade, a 180 bed and a 163 bed nursing homes, and several primary care centers and clinics throughout Miami-Dade County. Jackson Memorial is affiliated with the University of Miami School of Medicine and is one of the largest of the six statutory teaching hospitals in Florida.

On September 3, 1991, the voters of the County approved the imposition of a one-half cent discretionary sales surtax (the “Healthcare Surtax”). The Surtax proceeds are considered unrestricted tax revenue of the Trust and shall be used only for the operation, maintenance and administration of Jackson Memorial Hospital. Additionally, the enabling legislation requires that in each year that the Healthcare Surtax is collected, the County must continue its maintenance of effort contribution, which was capped at 80% of the 1991 general fund contribution. It is estimated that sales tax revenues will total \$154 million in 2004.

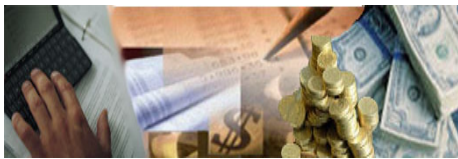
Risk Management

The County administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. An independent administrator administers the health and life insurance programs. The County funds the program on an annual payout basis. Insurance coverage is maintained with independent carriers for property damage to County facilities. The County maintains no excess coverage with independent carriers for workers' compensation and general liability.

Factors Affecting Financial Condition

The information presented in the financial statements primarily focuses on the County's financial position, as measured by its existing resources and claims on those resources. However, the County's financial condition is best understood when the focus is on both existing and future resources and potential claims on those resources. This broader concept is used to assess its financial condition, which reflects the current financial position as well as the prospects that today's financial position will improve or deteriorate. To achieve this objective, the County utilizes a wide range of information, including the local economic condition and outlook; long-term debt management; capital construction management; cash management and investments; and risk financing.

ECONOMIC CONDITION AND OUTLOOK



Last year's economic condition and outlook ended with the view that in fiscal year 2003 a turnaround of the economy will take place during the second half of the year. Essentially, this forecast proved to be accurate, as the national economy pulled out of the recession after eight months in November 2002. Miami-Dade's economy, for 2003 had mixed results among the various economic indicators.

Activity levels achieved in the visitor industry and international trade and commerce, two of the County's economic drivers, were positive. However, their performance did not match the records set in prior years. The lagging effects of September 11th 2001 and a more recent European slowdown along with a weak dollar provided unfavorable influences on the number of international visitors and the volume of exports. Total employment grew at a moderate pace and the unemployment rate continued to trend downward. Unfortunately, the unemployment rates for the County were not consistent with the same rates for the state and the nation. As will be shown below, the year closed with some mixed indications that came at a time when the national economy continued to improve.

EMPLOYMENT

In fiscal year 2003, nonagricultural wage and salary jobs had a net gain of 7,200 or .7%. This is very consistent to fiscal year 2002 increase of 6,400 or .6%. The unemployment rate declined slightly, averaging 7.4% for the year compared to 7.9% in 2002. This level still exceeded the same measure for the State at 5.3% as well as two other South Florida counties, Broward and Palm Beach, at 5.8% and 5.7%, respectively.

Consistent with prior years, professional and business services added the most jobs--6,700, and had the highest rate of growth at 4.3%. Other industries with positive growth during fiscal year 2003 were: natural resources, mining, and construction with 1,500 jobs or a 3.8% increase; education and health services with 3,700 jobs or an increase of 3%, total Government with 3,400 jobs, or a 2.3% increase, and leisure and hospitality with 100 jobs or a less than 1% increase. The largest job losses were in information technology with 1,900 jobs lost or a 6% decrease. Other industries that reported decreases in new jobs over the prior year were: other services, trade, transportation and utilities with a decrease of 1,100 jobs or 2.7% and 4,300 or 1.7%, respectively. Financial activities and manufacturing had slight decreases with 600 and 400 jobs lost, or 0.9% 0.7% decreases, respectively.

Along with the gains in total employment, over 2,100 new businesses were recorded during fiscal year 2003, a 2.8% growth over prior year. The 2003 median family income reached \$43,800. This amount has been “re-benchmarked” with data from the 2000 Census.

REAL ESTATE MARKET



In fiscal year 2003 the market for home sales could be characterized as mixed. Sales of new condos experienced a significant gain of 22%, while sales in existing condos increased by 5.5% from prior year. Conversely, single-family homes sales decreased by 21.8%. Sales of new single-family homes decreased by 23.1%, while sales of existing homes decreased by 12.3%. This downward trend is attributed to a lessening in overall demand driven by an increase in home prices.

Continuous interest rate cuts by the Federal Reserve over the past two years have decreased rates to a low not seen in the last forty years. These rates have allowed households to keep their mortgage payments within acceptable levels, even when the cost of housing has been rising faster than income. The average home mortgage rate declined from 6.7% to 5.8% during the 2003 fiscal year.

The number of authorized units for home construction increased by 16,400 units or 19.8% during fiscal year 2003 while valuations in housing units increased by 32.2%. In fiscal 2003 the average new single-family home in Miami-Dade was \$250,955, representing an increase of 11.2% from fiscal year 2002. Conversely, the average sales price for a single-family home was \$220,424, representing a drop, from the previous year. The average sales price for new and used condominiums increased to \$311,405 and \$180,561, respectively.

The existing space (square footage) for commercial real estate increased by 1.8%, while the office vacancy rate dropped slightly from 18% to 17.9%. Total leasable space increased slightly by less than 1% from 35.8 million to 36.1 million square feet, while vacant office space increased by 18.8% to more than 6.3 million square feet. Occupancy rate declined from 85.3% in 2002 to 82.7% in 2003, representing a 2.6% decrease. The average retail rate per square foot was consistent to the previous year at \$24.07. Sustained population growth continues to stimulate demand for supermarkets, drugstores, and other neighborhood serving retail centers.

The number of banks increased to 66, representing a 4.8% increase, with total deposits approaching \$44.6 billion, a 10.6% increase from the prior year. The number of thrift institutions remained the same at 12 with total deposits close to \$11.7 billion, or a 6.3% increase from 2002.

SALES INDICATORS

Consumer activity, as measured by taxable sales, was mixed in fiscal year 2003. Probably reflecting uncertainty on the part of the consumer. Total taxable sales increased by 1.4%. With the exception of autos and accessories, which posted a 1.8% decrease, there was an across-the-board increase in all other major categories from the 2002 fiscal year. The gains reported in consumer durables, tourism and recreation, and consumer non-durables, ranging from 0.5% to 1.2%, were modest relative to the sales percentage gains in previous years. This performance was reflected in the Miami-Dade's Index of Retail Activity, which decreased by less than 1% during the same period. In contrast, the same index, at the State level, displayed a 1.2% gain.

INTERNATIONAL TRADE AND COMMERCE

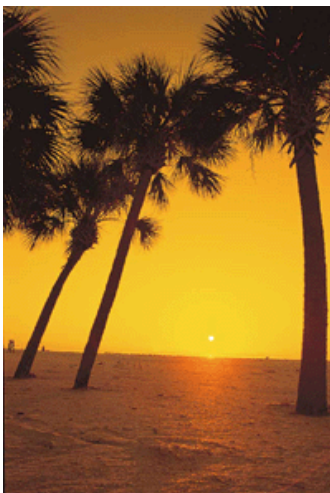


Trade and commerce reported a volume of merchandise trade through the Miami Customs District of approximately \$53 billion. This represents a 4.2% increase in total trade and an increase in imports of 14%. This was the opposite of the decline in both overall trade and exports during the prior fiscal year. Exports declined by 4.6% from the 2002 fiscal year. Since the majority of the U.S. goods are exported from the Miami

Customs District to South America, Central America, and the Caribbean, poor economic conditions in some of the countries in these regions are causing a decline of exports.

Two local barometers of trade activity are the freight tonnage moving through Miami International Airport (MIA) and the Miami Seaport. International freight figures increased by 9.2% and domestic freight decreased by 26% at MIA, while Seaport cargo tonnage figures were up 3.7% from the 2002 fiscal year. Most analysts are fairly optimistic regarding international commerce and predict a positive growth in the years to come. This is based on the expectation that economic conditions in Latin America will improve and that trade with Europe and Asia will increase to replace big drops in commerce with Brazil and Venezuela, two of the area's major trading partners.

TOURISM



South Florida's warm climate and sub-tropical environment have made it a very popular tourism destination. As a result of this, visitation to the Miami-Dade area has grown over the years and become a popular tourism destination, which is the basis for multi-billion dollar economic activity. Additionally, its proximity to the Caribbean and Latin America has also contributed to the growth in visitors.

Fiscal year 2003 proved to be a good year for tourism. The visitor industry showed improvement with an increase in total visitors

from 2002. During fiscal year 2003, 10.4 million people visited the Miami-Dade County area, representing a 2.1% increase from the prior year. While the number of domestic visitors was up 6.1%, international visitors fell 2.2%. This reflected a market mix of 54% domestic and 46% international visitors. The decline in international visitors is the result of weak currencies and decreases in visitations from Latin America, the strongest segment of Miami-Dade's international visitor component. In fiscal 2003, the Seaport had an increase of more than 8.7% in cruise passengers compared to a gain of 7.4% in the prior year. Air passengers at Miami International Airport also reported an increase of .6% in 2003. This represents a rebound from the 11.2% decline during the same period last year. Domestic passengers increased slightly, by 2.1%, while international air passengers declined by 1%.

The hotel occupancy rate was 64.6% percent on a year-round basis, approaching the record set in 2000. The factors in attracting more visitors are the result of a successful marketing campaign by the Greater Miami Convention and Visitors Bureau to promote local tourism, as well as the addition of about 3,000 new hotel rooms in Miami-Dade. An increase in the average room rate to \$110.47 in 2003, compared to \$101.20 in the year before, demonstrates the industry's potential to attract more visitors.

FUTURE OUTLOOK

After more than a year of mixed results, the future economic outlook for fiscal 2004 looks good for Miami-Dade County. This is the consensus of most analysts and economists who are fairly optimistic regarding Miami-Dade's economy in the year to come.

This positive outlook is firmly grounded in the area's strengths in tourism and trade. As the economies of its major trading partners, such as Brazil, and Argentina, start to recover from the downturns in recent years, many of the indicators associated with these two sectors will improve and this would be helpful to the local economy.

For the important segments of this economy, such as employment, real estate, consumer spending, and merchandise trade, predictions call for strong gains in the coming year. Based on the U.S. economic strength, the number of employed workers is expected to reach higher levels and there is hope that unemployment will be lower. Lower interest rates, combined with state and local public infrastructure construction projects are factors that will keep construction employment at least at current levels. Consumer spending is likely to outpace the 2003 level. A number of consumer incentives, such as low mortgage rates, federal tax stimulus package, and stable or declining prices, are in place and will encourage spending. Volume levels in merchandise trade are most likely to improve as they depend on the growth of the U.S. economy, U.S. imports from Latin America, and the expected economic rebound of the region.

In summary, the 2004 fiscal year is projected to be a strong year for the Miami-Dade County economy and its most vital industries, including trade, tourism, and real estate. Economic expansion should continue at a pace similar to the record numbers of fiscal year 2000.

Construction Management



The County's current six year Capital Improvement Plan covering the period from October 1, 2003 through September 30, 2009 highlights 529 projects with an estimated cost of over \$14.8 billion. Of this amount, 64% represents the transportation strategic area, with Aviation improvements comprising 52.4% of the total multi-year transportation program costs. Capital projects in the Neighborhood and Unincorporated Area Municipal Services strategic area comprise 23.6% of the total spending plan

with approximately 75.8% attributable to the Water and Sewer Department.

Major capital projects for fiscal year 2004, other than Aviation and Water and Sewer capital improvements, include:

- planning, design, and construction of People's Transportation Plan projects by Miami-Dade Transit and the Public Works Department,
- planning and design for a new Juvenile Justice Courthouse,
- construction of various fire stations,
- improvements and renovations at the Turner Guilford Knight Correctional Center and the Pre-Trial Detention Center,
- sidewalk, drainage road surfacing, and park improvements as a continuation of the Quality Neighborhood Improvement Program,
- dredging at the Seaport,
- construction of new branch libraries,
- the Performing Arts Center and South Miami-Dade Cultural Center,
- Golf Club of Miami improvements,
- park facilities sewer upgrades,
- Safe Neighborhood Parks projects,
- various drainage projects,
- public housing improvements including Scott/Carver Homes Modernization,
- Head Start Modular Classroom replacements,
- Community Development Block Grant funded projects,
- Public Health Trust Projects aimed at the modernization and expansion of existing medical center facilities,
- Americans with Disabilities Act barrier removal projects, and
- information technology projects targeting customer service.

The Local Option Gas Tax Program continues to be allocated for road projects in the unincorporated area.

The Safe Neighborhood Parks Program, approved by the electorate in November 1996, is still ongoing. Improvements under the program totaling \$200 million are programmed including \$125 million for Miami-Dade County. To date, more than \$142 million in debt has been issued for the

program. It is anticipated that additional debt will be issued fiscal year 2004, the amount of which will be determined at that time.

The Quality Neighborhoods Improvement Program continues with funding of approximately \$240 million. The Board of County Commissioners approved \$144 million in fiscal year 1999, \$60 million for fiscal year 2001, \$3.6 million in fiscal year 2002, and another \$32.5 million fiscal year 2004. The program addresses infrastructure needs in older urban neighborhoods and high growth areas.

Improvements under the Quality Neighborhood Program include among others, construction of new sidewalks and repairs to existing sidewalks, local and major drainage improvements, roadway resurfacing, and park facility improvements.

Implementation of the capital portion of the People's Transportation Plan include \$113 million of Transit projects, \$40 million of Public Works projects, and \$32 million of municipal projects planned for fiscal year 2004.

Funding sources for capital improvement expenditures can be broken down as follows:
(in thousands):

	<u>Fiscal Year 2004</u>		<u>Multi-Year Plan</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Debt Proceeds	\$ 1,213,231	54.7%	\$ 8,571,574	57.8%
County Proprietary Operations	224,823	10.1%	1,484,673	10.0%
Federal	314,393	14.2%	2,325,605	15.7%
State	128,785	5.8%	1,063,771	7.2%
Impact Fees and Contributions	76,928	3.5%	493,823	3.3%
Gas Taxes	29,192	1.3%	183,025	1.2%
Other	229,806	10.4%	714,977	4.8%
Total	<u>\$ 2,217,158</u>	<u>100%</u>	<u>\$ 14,837,448</u>	<u>100%</u>

Capital improvement expenditures, by program area, can be broken down as follows:
(in thousands):

	<u>Fiscal Year 2004</u>		<u>Multi-Year Plan</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Protection of People and Property	\$ 60,364	2.7%	\$ 239,263	1.6%
Transportation	1,162,563	52.4%	9,492,978	64.0%
Culture and Recreation	200,472	9.0%	725,481	4.9%
Physical Environment	567,073	25.6%	3,500,526	23.6%
Health and Human Services	179,077	8.1%	807,124	5.4%
Internal Support and General Government	47,609	2.1%	72,076	0.5%
Total	<u>\$ 2,217,158</u>	<u>100%</u>	<u>\$ 14,837,448</u>	<u>100%</u>

Certificate of Achievement

For the twenty-third consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami-Dade County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The

attainment of this award represents a significant accomplishment by a government and its financial management.

In order to be awarded a Certificate of Achievement, the County has to publish an easily readable and efficiently organized CAFR, whose contents conform to established program standards. Such comprehensive reports must satisfy both generally accepted accounting principles and applicable legal requirements. To earn a Certificate of Achievement, a government must demonstrate constructive spirit of full disclosure to clearly communicate its financial story, while enhancing the understanding of the logic underlying the traditional governmental financial reporting model.

An impartial Special Review Committee composed of other government officers, independent certified public accountants, educators, and others with particular expertise in government accounting and financial reporting, has evaluated the County's 2002 CAFR. We believe that the 2003 CAFR continues to conform to the high standards of the Certificate of Achievement Program, and we are submitting it to the GFOA.

Acknowledgements

The preparation and completion of this CAFR represents the culmination of numerous processes performed by many of the accountants throughout the County departments, and of the continued excellent cooperation and assistance of all of the accounting firms associated with the audit of the County's operations. We would like to thank the chief financial officers of the County's enterprise operations for coordinating their reporting deadlines with that of the combined entity in order for this CAFR to be issued on a timely basis; and the Research Section of the Department of Planning and Zoning for providing the information regarding our economy.

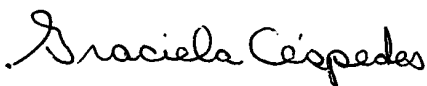
In particular, we wish to express our appreciation to the staff of the Finance Department who were responsible for compiling and collating the data comprising this report, for developing our underlying financial accounting theory, and for achieving the highly respected Certificate of Achievement award.

Finally, your guidance and cooperation in planning and conducting the financial affairs of the County in a responsible and progressive manner is greatly appreciated.

Respectfully submitted,



RACHEL BAUM
Finance Director



GRACIELA CESPEDES
Deputy Finance Director